5 November 2026
2QFY27 Results Update | Sector: Automobile

Apollo Tyres

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	APTY IN
Equity Shares (m)	635
M.Cap.(INRb)/(USDb)	266 / 2.8
52-Week Range (INR)	541 / 365
1, 6, 12 Rel. Per (%)	-4/2/-16
12M Avg Val (INR M)	488

Financials & valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	284.7	324.3	343.9
EBITDA	41.4	38.8	47.9
Adj. PAT	17.0	14.9	19.4
EPS (INR)	26.7	23.4	30.5
EPS Growth (%)	36.6	-12.4	30.4
BV/Share (INR)	328.4	350.1	379.5
Ratios			
RoE (%)	10.8	8.6	10.4
RoCE (%)	13.8	11.3	13.6
Payout (%)	27.8	25.6	22.9
P/E (x)	15.7	17.9	13.7
P/BV (x)	1.3	1.2	1.1
Div. Yield (%)	1.4	1.4	1.7
FCF Yield (%)	8.7	-1.8	1.5

Shareholding Pattern (%)

As of	Sep-26	Jun-26	Sep-25
Promoter	36.9	36.9	37.0
DII	34.9	30.6	29.5
FII	10.5	10.5	12.2
Others	17.7	22.0	21.4

FII includes depository receipts

CMP: INR419 **TP: INR490 (+17%)** **Buy**

Earnings hit by commodity inflation

Pricing action to support margins in the near term

- Apollo Tyres (APTY)'s 2QFY27 earnings came in below our estimates at INR3.1b (-24% YoY) because of weakness in the Europe business coupled with a 420bp YoY contraction in EBITDA margin due to severe commodity headwinds. Despite subdued market conditions, the PCR business continued to gain share in Europe while calibrated pricing actions have been taken across segments to partially offset the raw material inflation.
- We factor in a steady 10% revenue CAGR on a consolidated basis over FY25-28E. While margins are likely to be under pressure in FY27, we expect them to recover in FY28, led by the normalization of cost pressure and restructuring benefits. The stock's valuations at 17.9x/ 13.7x FY27E/FY28E EPS appear attractive, especially when compared with those of peers. **We reiterate our BUY rating on APTY** with a TP of INR490 (valued at 16x FY28E consol. EPS).

Margin compression leads to earnings miss

- APTY's consolidated revenue grew ~17% YoY to INR79.7b (in line) in 2QFY27, while standalone revenue rose ~26% YoY to INR59.2b (in line).
- Consolidated EBITDA margin contracted ~420bp YoY to 10.7% (est. 11.8%), as EBITDA declined 16.2% YoY to ~INR8.6b (below our expectation of INR9.2b).
- APTY posted an exceptional expense of INR269m as part of the payments made to employees who opted for a reorganization within the company.
- Other income was higher than expected at INR424m (expected INR210m).
- However, adj PAT came in below our expectations, declining 24% YoY to INR3.1b.
- Consolidated CFO for 1HFY27 stood at INR2.6b, with FCF coming in negative at INR11.9b.

Segmental performance:

- Standalone revenue grew ~26% YoY to INR59.2b. Standalone EBITDA margin contracted 420bp YoY to 11.1% (below our expectation of 11.5%), while PAT declined marginally YoY to INR2.8b (ahead of estimates).
- The EU revenue (in INR terms) dipped 1.6% YoY to INR21.6b and EBIT margin contracted significantly (by 200bp) to 2.4%.

Highlights from the management commentary

- India operations revenue grew 26%, supported by broad-based growth across OEM and replacement channels. OEM volumes led the growth, registering over 25% YoY growth, followed by low double-digit growth in the replacement segment, while exports remained largely flat.
- European operations remained under pressure, with revenue declining 12% YoY, primarily due to weakness in the truck and agricultural segments, a subdued regional demand environment, and temporary supply disruptions arising from the manufacturing transition following the Enschede plant closure.

Research analyst - Radha Agarwalla (Radha.Agarwalla@MotilalOswal.com)
Research analyst - Jeemit Shah (Jeemit.Shah@MotilalOswal.com) | **Uday Nair** (Uday.Nair@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- Raw material costs increased by ~25% since Apr'26, representing one of the steepest and fastest inflation cycles experienced by the company in recent years. Management expects the overall raw material basket to increase by a further mid-to-high single-digit percentage between 2Q and 3QFY27, indicating that the commodity inflation cycle is yet to fully stabilize.
- The company has implemented cumulative price hikes of 13-15% across categories by the end of Oct'26, against an estimated 16-17% increase required to offset raw material inflation, with the full impact expected to flow through in 3QFY27. Further hikes may be considered depending on commodity trends and competitive conditions.
- Consolidated net capex stood at ~INR15b during 1HFY27, broadly in line with the company's full-year capex plan. Investments are directed towards capacity expansion, technology, product development, and digital transformation.

Valuation and view

We factor in a steady 10% revenue CAGR on a consolidated basis over FY25-28E. While margins are likely to be under pressure in FY27, we expect them to recover in FY28, led by the normalization of cost pressure and restructuring benefits. The stock's valuations at 17.9x/ 13.7x FY27E/FY28E EPS appear attractive, especially when compared with those of peers. **We reiterate our BUY rating on APTY** with a TP of INR490 (valued at 16x FY28E consol. EPS).

Consolidated - Quarterly Earnings Model (INR M)

Y/E March	FY26				FY27E				FY26	FY27		VAR
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
Net Revenues	**65,608**	**68,311**	**77,431**	**73,357**	**73,978**	**79,682**	**88,154**	**82,493**	**284,706**	**324,306**	**78,125**	**2**
YoY Change (%)	3.6	6.1	11.8	14.2	12.8	16.6	13.8	12.5	12.2	24.1	14.4	
EBITDA	**8,677**	**10,207**	**11,859**	**10,688**	**8,680**	**8,554**	**10,578**	**11,008**	**41,432**	**38,820**	**9,221**	**-7**
Margins (%)	13.2	14.9	15.3	14.6	11.7	10.7	12.0	13.3	14.6	12.0	11.8	
YoY Change (%)	-4.6	16.3	25.2	27.6	0.0	-16.2	-10.8	3.0	16.0	-6.3	-9.7	
Depreciation	3,776	3,834	3,853	3,967	3,907	3,806	4,100	4,336	15,430	16,150	4,010	
Interest	1,006	1,010	1,001	898	915	942	1,100	1,390	3,915	4,348	1,080	
Other Income	189	297	496	352	583	424	225	14	1,334	1,246	210	
PBT before EO expense	**4,085**	**5,660**	**7,501**	**6,175**	**4,441**	**4,229**	**5,603**	**5,295**	**23,421**	**19,568**	**4,341**	**-3**
Extra-Ord expense	3,702	1,800	271	4,561	-235	269	0	0	10,335	0	0	
PBT	**383**	**3,860**	**7,229**	**1,614**	**4,676**	**3,960**	**5,603**	**5,295**	**13,086**	**19,568**	**4,341**	
Tax Rate (%)	66.5	33.2	34.9	-290.8	25.4	26.2	20.6	24.9	-4.8	24.0	20.6	
MI & Profit/Loss of Asso. Cos.	-1	-1	-2	-3	-1	-2	-1	3	0	0	-1	
Reported PAT	**129**	**2,580**	**4,705**	**6,310**	**3,489**	**2,923**	**4,450**	**3,976**	**13,718**	**14,871**	**3,448**	
Adj PAT	**2,961**	**4,103**	**5,437**	**4,476**	**3,318**	**3,118**	**4,450**	**3,976**	**16,978**	**14,871**	**3,448**	**-10**
YoY Change (%)	-10.6	36.2	59.8	65.3	12.1	-24.0	-18.2	-11.2	36.5	-12.4	-16.0	
Margins (%)	4.5	6.0	7.0	6.1	4.5	3.9	5.0	4.8	6.0	4.6	4.4	
Standalone (India)												
Net Revenues	**47,254**	**47,149**	**51,390**	**52,370**	**54,619**	**59,217**	**61,668**	**61,959**	**198,162**	**237,462**	**55,164**	**7**
YoY Change (%)	2.9	5.7	13.2	14.3	15.6	25.6	20.0	18.3	9.0	19.8	17.0	
EBITDA	**6,447**	**7,206**	**7,466**	**7,640**	**6,549**	**6,546**	**7,523**	**8,789**	**28,759**	**29,408**	**6,344**	**3**
Margins (%)	13.6	15.3	14.5	14.6	12.0	11.1	12.2	14.2	14.5	12.4	11.5	
Adj PAT	**2,233**	**2,795**	**4,668**	**3,197**	**2,888**	**2,762**	**3,153**	**3,855**	**18,845**	**12,565**	**2,433**	**14**
YoY Change (%)	-1.4	66.9	273.1	122.3	29.3	-1.2	-32.5	20.6	183.1	-33.3	-13.0	
Europe (EUR m)												
Net Revenues	**146**	**177**	**180**	**170**	**147**	**157**	**171**	**150**	**678**	**625**	**177**	**-11**
YoY Change (%)	0.0	3.5	-1.6	-3.4	0.7	-11.3	-5.0	-12.0	1.0	-7.6	0.0	
Margins (%)	10.8	12.7	17.9	14.6	8.9	10.3	14.0	11.4	14.0	11.2	11.2	

Source: MOSL Estimates



Highlights from the management commentary

Update on India business

- India operations revenue grew 26%, supported by broad-based growth across OEM and replacement channels. Volume growth and pricing contributed almost equally to the top-line expansion.
- OEM volumes led the growth, registering over 25% YoY growth, followed by low double-digit growth in the replacement segment, while exports remained largely flat.
- Within the replacement segment, the 2W category recorded the highest percentage growth of 25-26%, albeit on a relatively smaller base. Domestic PCR replacement volumes grew in the mid-teens, while truck replacement volumes registered high-single-digit growth. PCR exports, however, remained subdued.
- Raw material costs increased by approximately 25% since Apr'26, representing one of the steepest and fastest inflation cycles experienced by the company in recent years. In response, APTY implemented cumulative price hikes of 13-15% across categories by the end of Oct'26, including increases of up to 15% in the replacement segment and meaningful price increases in the OEM business.
- Within TBR, APTY has taken amongst the highest price hikes, having implemented 13-14% price increases in the replacement segment, with similar increases also secured from OEMs through negotiations, despite the absence of formula-linked pricing arrangements in certain cases. OEM price increases are largely formula-linked and typically flow through with a one-quarter lag.
- Management expects domestic demand conditions to remain supportive, although volume growth is likely to moderate against a higher base. After delivering almost mid-teens volume growth in India during 1HFY27, the company expects mid-to-high single-digit volume growth in Q3FY27, with a larger proportion of revenue growth coming from pricing actions.
- The company remains cautious on exports given geopolitical uncertainties and volatility across key export markets, including Europe, the Americas, the Middle East and Southeast Asia. With domestic demand momentum remaining strong, management is prioritizing the domestic market, while the export outlook remains uncertain.
- Apollo continues to strengthen its product portfolio through new approvals and engagements with leading OEMs, including BMW, Mercedes-Benz, Mahindra & Mahindra and Tata Motors, supporting its positioning in premium and technologically advanced tyre segments.

Europe business updates

- European operations remained under pressure, with revenue declining 12% YoY, primarily due to weakness in the truck and agricultural segments, a subdued regional demand environment and temporary supply disruptions arising from the manufacturing transition following the Enschede plant closure.
- Europe business margin recovery has taken longer than initially anticipated due to the combination of market weakness and transition-related challenges. However, management reiterated its medium-term ambition of achieving high-teen operating margins.

- Despite subdued market conditions, the PCR business continued to gain market share. PCR volumes grew 5% YoY in a weak market, while Apollo brand PCR business recorded over 50% volume growth, reflecting the strength of its product proposition and improving competitive positioning.
- The decline in TBR and agricultural tyre volumes was largely attributable to supply-chain reorganization and the relocation of manufacturing from Enschede and Hungary to India, rather than demand weakness alone. The European market slowdown also contributed to the overall decline.
- Operations at the Enschede plant ceased towards the end of Q1FY27 as part of the company's strategy to move away from a high-cost manufacturing location. Dismantling of equipment and complete closure are expected to take another 2-3 quarters, with the associated employee-related costs largely accounted for.
- The company has already put in place an alternative manufacturing arrangement for PCR tyres, with smaller-sized tyres being supplied from India and high-end and larger-sized tyres being manufactured in Hungary. This arrangement is particularly important ahead of the seasonally stronger winter-tyre demand in Q3.
- The key near-term challenge remains ensuring adequate supply of agricultural and OHT tyres following the manufacturing transition. Management expects supply availability in these categories to gradually stabilize from FY28, as the manufacturing and distribution network is reorganized.
- Management expects manufacturing facilities and the alternative supply chain to be largely ready over the next two quarters, with European operations returning to a more stable footing from FY28 and margins moving towards historical normalized levels.
- Working capital was impacted in 1HFY27 by payouts associated with the Enschede plant shutdown. With these payouts largely behind the company and the seasonal improvement in European cash flows during 2HFY27, management expects working-capital requirements to stabilize in the second half.
- Reifen's 2Q revenue remained broadly flat, while EBITDA margins were slightly lower YoY due to cost pressures and seasonality. Management expects an improvement in EBITDA margins in Q3, supported by the seasonal uptick in business activity.

Raw material updates and margin outlook

- The company witnessed substantial raw material inflation during the quarter, with the consolidated commodity basket increasing approximately 25% YoY. Natural rubber prices reached unprecedented levels of around INR300/kg in India, registering a 25-26% YoY increase. Crude-linked derivatives recorded price increases of approximately 28-35% YoY across various categories, while steel cord prices increased in the low double digits, adding to the overall cost pressure.
- Management expects the overall raw material basket to increase by a further mid-to-high single digit between Q2 and Q3, indicating that the commodity inflation cycle is yet to fully stabilize.
- To maintain margins at levels comparable to the previous year, the company estimates that cumulative price increases of approximately 16-17% would be required to fully offset the raw material cost inflation.

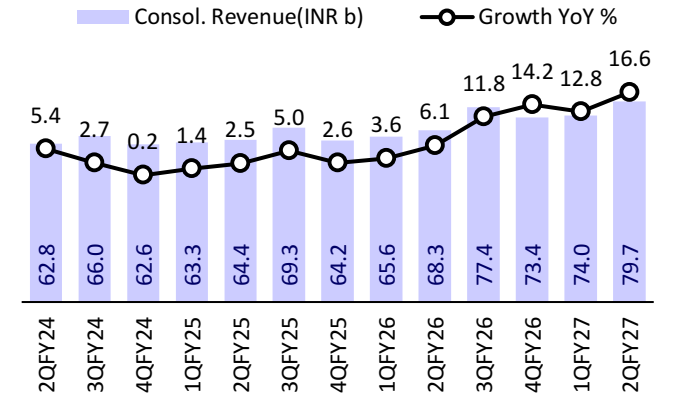
- Price hikes of approximately 1-2% were implemented across select categories in Oct'26, with further increases potentially being undertaken in November/December or January, depending on the movement in raw material prices and competitive intensity.
- The full benefit of the cumulative 13-15% price increases implemented so far is expected to flow through in Q3, given the staggered timing of the price hikes. However, the extent of additional pricing required will depend on the trajectory of commodity costs.
- While raw material costs were initially expected to stabilize in Q3, the company is now witnessing further cost increases. Management expects the commodity cycle to peak towards the end of FY27, with raw material costs potentially beginning to stabilize and taper off from FY28, subject to geopolitical developments and crude price movements.
- The company has maintained strict control over controllable expenses, including advertising and promotion, travel and other discretionary costs, while continuing to prioritize essential investments. This has helped the company maintain margins at a relatively better level compared with previous commodity inflation cycles, when margins had declined to single-digit levels.

Update on capex and debt

- Consolidated net capital expenditure stood at approximately INR15b during 1HFY27, broadly in line with the company's full-year capex plan. Investments are directed towards capacity expansion, technology, product development and digital transformation.
- Capacity utilization across manufacturing plants is currently at approximately 85-90%, necessitating timely capacity expansion to cater to the strong demand outlook and avoid potential market-share losses.
- Management indicated that ROCE could face some near-term pressure as the company progresses through its capex cycle and incremental capital gets deployed. However, it reiterated its long-term target of achieving mid-teen ROCE at a stable level of operations, once the expanded capacities start contributing to growth.
- Consolidated net debt-to-EBITDA stood at a comfortable 0.9x as of 1HFY27, providing sufficient financial flexibility to fund the ongoing investment cycle while maintaining a prudent capital structure.
- Management indicated that additional borrowings may be required as the company progresses with its announced expansion plans. However, it remains confident of maintaining leverage within its targeted and comfortable range, with consolidated net debt-to-EBITDA expected to remain below 1x in the near term.

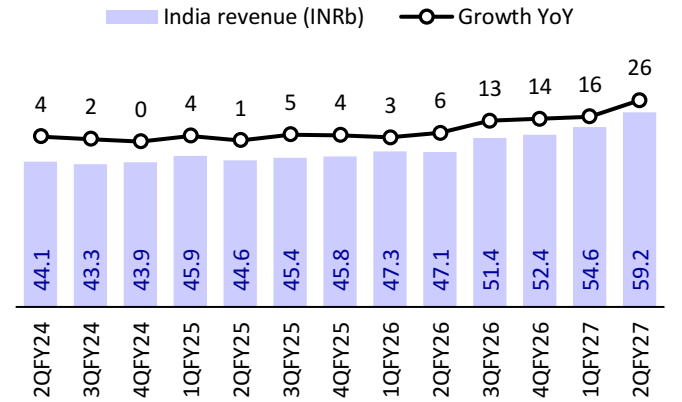
Key exhibits

Exhibit 1: Consolidated revenue trend



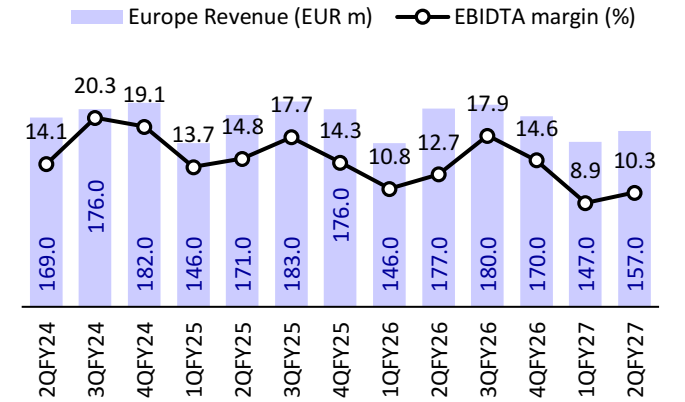
Source: MOFSL, Company

Exhibit 2: Trend in APTY's India revenue



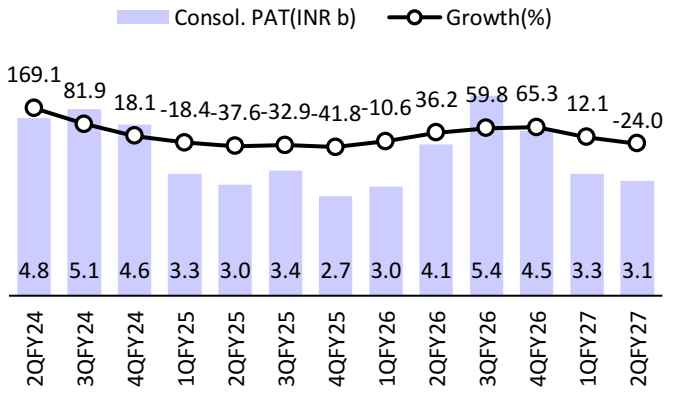
Source: MOFSL, Company

Exhibit 3: Performance trend in APTY's EU operations



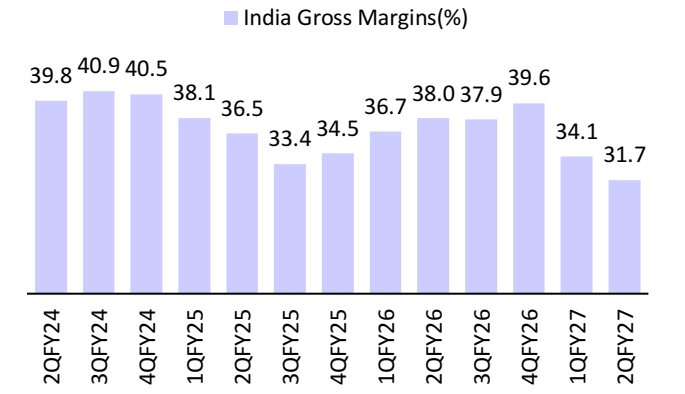
Source: MOFSL, Company

Exhibit 4: Consolidated PAT and PAT growth trends



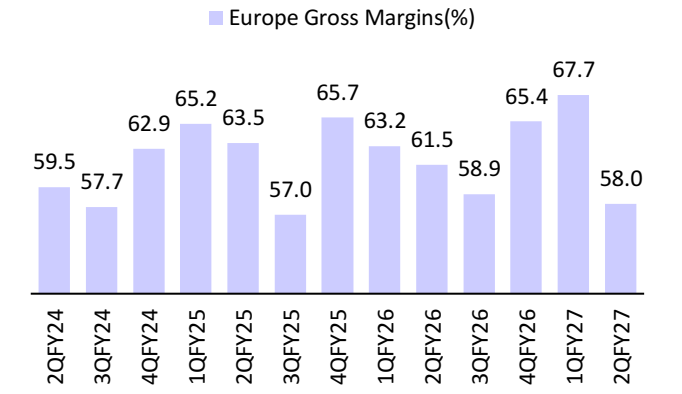
Source: MOFSL, Company

Exhibit 5: Trend in India's gross margin (%)



Source: MOFSL, Company

Exhibit 6: Trend in the EU's (derived) gross margin (%)



Source: MOFSL, Company

Valuation and view

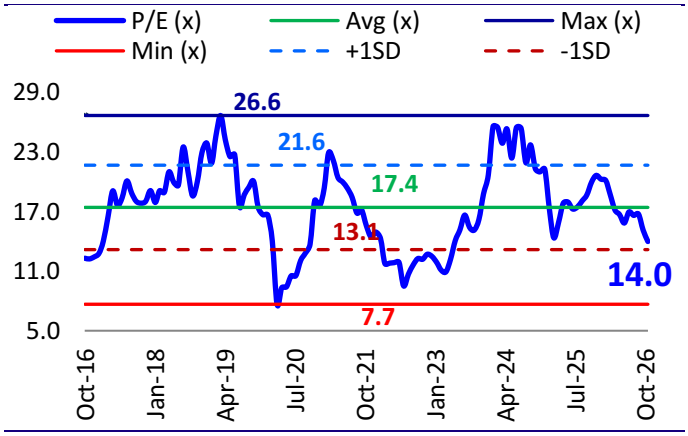
- **Indian business well-placed for growth over the long term:** The GST rate cut has helped revive demand across segments, with positive demand continuing after the festive season in some of the key segments. With its strong competitive positioning and ready capacities, APTY is well placed to benefit from this trend. Beyond a pickup in domestic demand, exports will continue to be a key growth driver for APTY in the coming years. Overall, we expect the Indian business to post a steady 18% revenue CAGR over FY26-28E. Given the commodity headwinds, we factor in a ~210bp contraction in EBITDA margins in FY27, which we expect to recover gradually in FY28.
- **A focus on premiumization driving better brand positioning and a healthy margin profile:** The company has been focusing on enhancing its product offerings in both India and Europe. Benefiting from its robust R&D capabilities, the company saw notable enhancements in its sales mix, with the PV revenue contribution rising from 18% in FY18 to 22% in FY26, aligning with its premiumization strategy. In Europe, given the premium status of the Vredestein brand, coupled with the establishment of a cutting-edge manufacturing facility in Hungary, the company is well-positioned to enhance its product portfolio by shifting toward the lucrative premium car tyre segment. This is evident from the rising share of its UHP/UUHP mix in Europe to 50% in 4QFY26 from 48% in 4QFY25. With improved competitiveness, APTY has gained market share in the replacement segment and made inroads with OEMs. Further, the shutdown of its Enschede plant will help lift the European business's performance in FY27.
- **Valuation and view**: We factor in a steady 10% revenue CAGR on a consolidated basis over FY25-28E. While margins are likely to be under pressure in FY27, we expect them to recover in FY28, led by the normalization of cost pressure and restructuring benefits. The stock's valuations at 17.9x/ 13.7x FY27E/FY28E EPS appear attractive, especially when compared with those of peers. **We reiterate our BUY rating on APTY** with a TP of INR490 (valued at 16x FY28E consol. EPS).

Exhibit 7: Changes to our estimates

(INR M)	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	324,306	312,345	3.8	343,916	333,877	3.0
EBITDA	38,820	38,618	0.5	47,897	46,210	3.6
EBITDA (%)	12.0	12.4	-40bp	13.9	13.8	10bp
EPS (INR)	23.4	24.1	-2.7	30.5	29.5	3.6

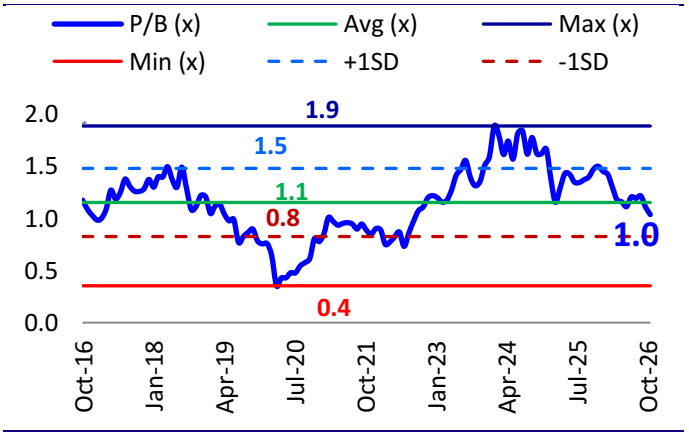
Source: Company, MOFSL

Exhibit 8: One-year forward P/E



Source: MOFSL, Company

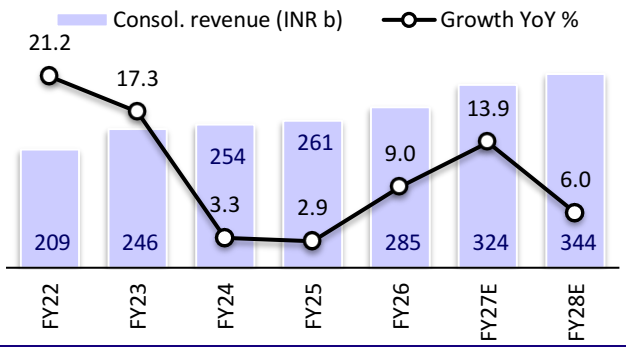
Exhibit 9: One-year forward P/B



Source: MOFSL, Company

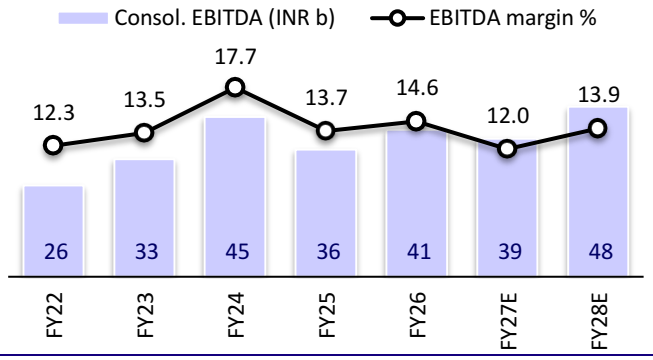
Story in charts

Exhibit 10: Revenue and growth trends



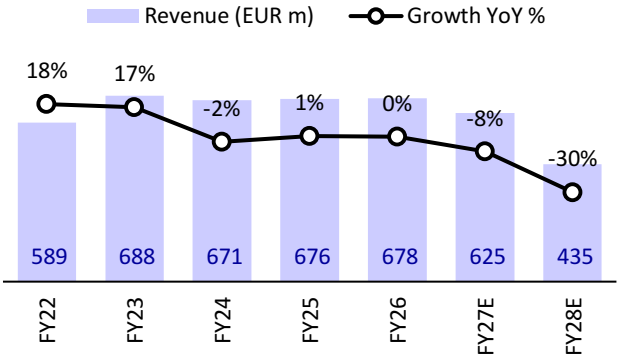
Source: Company, MOFSL

Exhibit 11: EBITDA and EBITDA margin trends



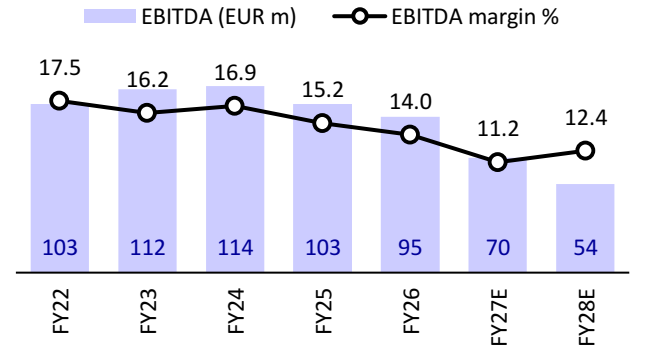
Source: Company, MOFSL

Exhibit 12: Revenue and growth trends for the EU business



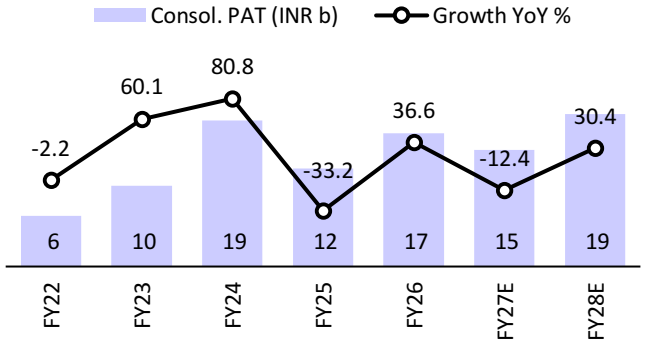
Source: Company, MOFSL

Exhibit 13: EBITDA margin trend for APTY's EU business



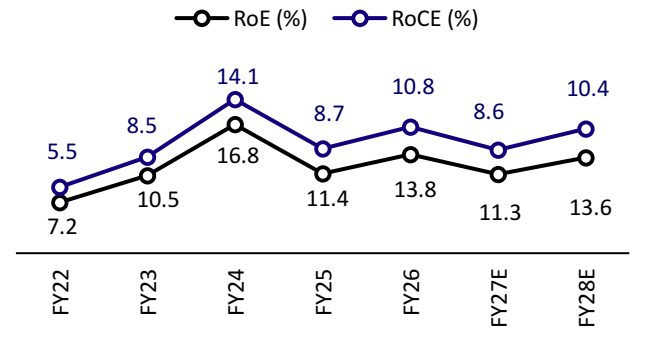
Source: Company, MOFSL

Exhibit 14: PAT and PAT growth trends



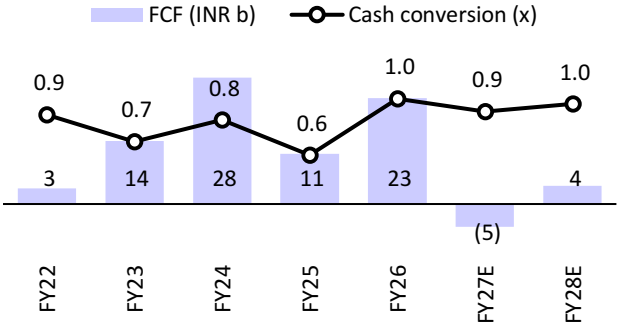
Source: MOFSL, Company

Exhibit 15: Trend in APTY's return profile



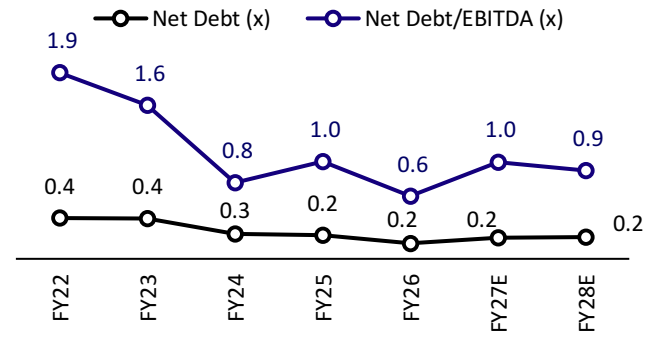
Source: MOFSL, Company

Exhibit 16: FCF to turn negative in FY27 with a rise in capex



Source: MOFSL, Company

Exhibit 17: Net debt to remain broadly stable



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Total Income from Operations	**172,820**	**209,476**	**245,681**	**253,777**	**261,234**	**284,706**	**324,306**	**343,916**
Change (%)	5.7	21.2	17.3	3.3	2.9	9.0	13.9	6.0
Raw Materials	93,945	123,855	146,371	136,631	146,945	155,536	189,960	199,516
Employees Cost	25,134	25,742	26,199	29,640	31,297	35,416	39,280	37,364
Other Expenses	26,917	34,137	39,975	42,519	47,276	52,322	56,246	59,138
Total Expenditure	**145,995**	**183,735**	**212,545**	**208,790**	**225,519**	**243,274**	**285,486**	**296,019**
% of Sales	84.5	87.7	86.5	82.3	86.3	85.4	88.0	86.1
EBITDA	**26,825**	**25,741**	**33,137**	**44,987**	**35,715**	**41,432**	**38,820**	**47,897**
EBITDA Margin (%)	15.5	12.3	13.5	17.7	13.7	14.6	12.0	13.9
growth	38.4	-4.0	28.7	35.8	-20.6	16.0	-6.3	23.4
Depreciation	13,150	13,997	14,191	14,778	14,984	15,430	16,150	17,981
EBIT	**13,675**	**11,744**	**18,945**	**30,209**	**20,732**	**26,002**	**22,670**	**29,916**
EBIT Margin (%)	7.9	5.6	7.7	11.9	7.9	9.1	7.0	8.7
Int. and Finance Charges	4,430	4,444	5,312	5,059	4,466	3,915	4,348	5,521
Other Income	1,294	1,235	411	1,536	881	1,334	1,246	1,171
PBT bef. EO Exp.	**10,539**	**8,535**	**14,044**	**26,685**	**17,146**	**23,421**	**19,568**	**25,565**
EO Items	4,927	59	-226	1,786	1,687	10,335	0	0
PBT after EO Exp.	**5,612**	**8,476**	**14,269**	**24,899**	**15,460**	**13,086**	**19,568**	**25,565**
Total Tax	2,110	2,091	3,813	7,684	4,253	-632	4,698	6,174
Tax Rate (%)	37.6	24.7	26.7	30.9	27.5	-4.8	24.0	24.2
Reported PAT	**3,502**	**6,385**	**10,456**	**17,219**	**11,213**	**13,724**	**14,871**	**19,391**
Adjusted PAT	**6,576**	**6,429**	**10,290**	**18,607**	**12,436**	**16,984**	**14,871**	**19,391**
Change (%)	38.1	-2.2	60.1	80.8	-33.2	36.6	-12.4	30.4

Consolidated - Balance Sheet (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	635	635	635	635	635	635	635	635
Total Reserves	113,796	116,886	125,147	138,387	147,022	166,517	177,577	192,522
Net Worth	**114,431**	**117,521**	**125,782**	**139,022**	**147,657**	**167,152**	**178,212**	**193,157**
Total Loans	65,843	61,937	64,205	49,051	44,104	36,752	41,752	44,252
Deferred Tax Liabilities	7,020	9,014	12,590	16,530	17,988	14,553	14,553	14,553
Capital Employed	**187,294**	**188,471**	**202,577**	**204,603**	**209,749**	**218,457**	**234,517**	**251,963**
Gross Block	261,447	281,920	288,938	292,772	298,400	325,365	360,803	396,404
Less: Accum. Deprn.	99,455	108,165	114,697	125,019	136,663	163,269	179,418	197,399
Net Fixed Assets	**161,992**	**173,755**	**174,241**	**167,753**	**161,736**	**162,096**	**181,385**	**199,005**
Goodwill on Consolidation	2,204	2,158	2,288	2,311	2,374	2,774	2,774	2,774
Capital WIP	11,065	6,182	2,526	3,477	4,354	10,768	10,768	10,768
Total Investments	**1,096**	**4,813**	**4,358**	**5,317**	**452**	**622**	**622**	**622**
Curr. Assets, Loans&Adv.	**82,088**	**84,550**	**90,117**	**90,716**	**104,144**	**116,136**	**125,091**	**130,123**
Inventory	33,185	41,554	44,285	42,457	51,312	54,523	62,196	65,956
Account Receivables	13,808	20,513	24,885	26,648	30,621	31,908	37,317	39,574
Cash and Bank Balance	9,713	8,706	8,360	9,116	8,861	10,293	3,465	1,143
Loans and Advances	25,381	13,777	12,587	12,494	13,350	19,413	22,113	23,450
Curr. Liability & Prov.	**71,151**	**82,987**	**70,953**	**64,971**	**63,311**	**73,940**	**86,122**	**91,330**
Account Payables	28,067	35,309	33,956	29,786	28,744	32,243	35,540	37,689
Other Current Liabilities	38,644	44,193	33,505	31,427	30,168	31,456	38,917	41,270
Provisions	4,440	3,484	3,492	3,757	4,399	10,241	11,665	12,371
Net Current Assets	**10,937**	**1,563**	**19,164**	**25,745**	**40,833**	**42,196**	**38,968**	**38,793**
Appl. of Funds	**187,294**	**188,471**	**202,577**	**204,603**	**209,749**	**218,457**	**234,517**	**251,963**

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)								
EPS	**10.4**	**10.1**	**16.2**	**29.3**	**19.6**	**26.7**	**23.4**	**30.5**
growth	*24.3*	*-2.2*	*60.1*	*80.8*	*-33.2*	*36.6*	*-12.4*	*30.4*
Cash EPS	38.8	40.1	48.1	65.6	53.9	63.7	60.9	73.4
BV/Share	224.8	230.9	247.1	273.1	290.1	328.4	350.1	379.5
DPS	3.5	3.3	4.3	5.3	5.0	6.0	6.0	7.0
Payout (%)	63.5	32.3	25.8	19.4	28.3	27.8	25.6	22.9
Valuation (x)								
P/E	40.4	41.4	25.8	14.3	21.4	15.7	17.9	13.7
P/BV	1.9	1.8	1.7	1.5	1.4	1.3	1.2	1.1
EV/Sales	1.9	1.5	1.3	1.2	1.2	1.0	0.9	0.9
EV/EBITDA	12.0	12.4	9.7	6.8	8.4	7.1	7.8	6.5
Dividend Yield (%)	0.8	0.8	1.0	1.3	1.2	1.4	1.4	1.7
FCF per share	20.3	5.3	21.6	43.5	17.2	36.4	-7.7	6.3
Return Ratios (%)								
RoE	6.2	5.5	8.5	14.1	8.7	10.8	8.6	10.4
RoCE (pre-tax)	8.6	7.2	10.5	16.8	11.4	13.8	11.3	13.6
RoIC	5.4	5.3	7.8	11.2	7.9	13.9	8.3	9.9
Working Capital Ratios								
Fixed Asset Turnover (x)	0.7	0.7	0.9	0.9	0.9	0.9	0.9	0.9
Asset Turnover (x)	0.9	1.1	1.2	1.2	1.2	1.3	1.4	1.4
Inventory (Days)	70	72	66	61	72	70	70	70
Debtor (Days)	29	36	37	38	43	41	42	42
Creditor (Days)	59	62	50	43	40	41	40	40
Leverage Ratio (x)								
Net Debt/Equity	0.5	0.4	0.4	0.2	0.2	0.2	0.2	0.2

Consolidated - Cash Flow Statement (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	5,612	8,477	14,272	25,402	15,466	13,092	19,568	25,565
Depreciation	13,150	13,997	14,191	14,778	14,984	15,430	16,150	17,981
Interest & Finance Charges	4,430	4,444	5,312	5,059	4,466	3,915	3,102	4,351
Direct Taxes Paid	-2,035	-1,222	-2,168	-3,843	-3,926	-4,314	-4,698	-6,174
(Inc)/Dec in WC	4,616	-1,829	-7,845	-5,031	-12,662	4,804	-3,600	-2,147
CF from Operations	**25,772**	**23,867**	**23,762**	**36,366**	**18,328**	**32,927**	**30,522**	**39,576**
Others	-1,303	-2,332	-2,396	-1,971	-97	3,747	0	0
CF from Operating incl EO	**24,469**	**21,535**	**21,367**	**34,395**	**18,231**	**36,674**	**30,522**	**39,576**
(Inc)/Dec in FA	-11,563	-18,164	-7,627	-6,739	-7,306	-13,549	-35,438	-35,601
Free Cash Flow	**12,906**	**3,371**	**13,739**	**27,656**	**10,926**	**23,125**	**-4,915**	**3,975**
(Pur)/Sale of Investments	-12,547	5,960	2,512	-716	4,973	-93	0	0
Others	667	482	331	348	310	232	1,246	1,171
CF from Investments	**-23,443**	**-11,722**	**-4,784**	**-7,107**	**-2,022**	**-13,410**	**-34,192**	**-34,430**
Issue of Shares	10,800	0	0	0	0	-1,129	0	0
Inc/(Dec) in Debt	-3,222	-1,875	-7,484	-16,114	-5,218	-8,030	5,000	2,500
Interest Paid	-3,407	-4,022	-4,793	-4,759	-4,171	-3,648	-4,348	-5,521
Dividend Paid	0	-2,223	-2,064	-2,858	-3,811	-5,385	-3,811	-4,446
Others	-2,869	-2,712	-2,587	-2,802	-3,264	-3,641	0	0
CF from Fin. Activity	**1,302**	**-10,832**	**-16,928**	**-26,534**	**-16,464**	**-21,832**	**-3,158**	**-7,467**
Inc/Dec of Cash	**2,327**	**-1,018**	**-346**	**755**	**-255**	**1,432**	**-6,828**	**-2,322**
Opening Balance	7,387	9,725	8,706	8,361	9,115	8,861	10,293	3,465
Closing Balance	**9,714**	**8,706**	**8,361**	**9,115**	**8,861**	**10,293**	**3,465**	**1,143**

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Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
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Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.